theories of the single tax, land nationalization, state communism, and socialism. As such, to our mind, it is too comprehensive. The scheme rests on the assumption that a government is an entity and fails to recognize the law of economic and social growth. Progress is not made by any such revolutionary schemes. The time may come when this plan of "practical land nationalization," as the author calls his scheme for land reform, may be in operation; but, if so, it will come step by step. In this scheme the steps are lacking, for the author finds no way of permanent practical reform in agricultural coöperation, the creation of small holdings, agricultural credit, and other factors which are today playing their part in the agrarian problems of England and other countries.

The scheme fails, also, to recognize the law of necessity in life. To grant every man a piece of land is no assurance that each would be successful in its cultivation, for individuals differ in their inclination and ability to labor. And how about the differences in location, fertility, soils, etc., which go to make up the desirability of property? Could this be adjusted to the satisfaction of all? If governmental paternalism is to take the place of individual character and industry, the spur of life would be dulled and no one would feel impelled to activity as the result of the pressure of competition in life.

While commending the purpose of the book to present a solution of the agrarian problem in England, it nevertheless seems too idealistic and too radical for the practical age in which we are living.

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Intercorporate Relationships of Railways in the United States as of June 30, 1906. Special Report No. 1, INTERSTATE COMMERCE COMMISSION; prepared by the Division of Statistics and Accounts. (Washington D. C., 1908.)

For the first time in the history of railroads in America a clear idea of the part played by railway companies in the field of finance has been presented in printed form. Various writers have told the public about the methods used to secure control of different railway companies through community of interest, holding companies and agreements, but no facts of real merit have been presented to support them. The report here reviewed is called the

Intercorporate Relationships of Railways in the United States. The purposes in undertaking such an enormous task were: (1) to show in detail the methods used to absorb independent railway corporations into highly centralized systems; (2) to state correctly the actual capitalization of railroads in the hands of the public. The original purpose of the report was to secure data sufficient in extent to arrive at tenable conclusions relative to the form of a standard balance sheet. Happily the report has been extended beyond the original idea, and a mass of detailed information collected regarding the intercorporate relationships of railways.

To determine the form of control, and even the fact of control itself, was not an easy matter. Denial of joint control in many instances, the multiplication of roads and their numerous relationships, made it impossible to secure an actually correct statement for all the material presented. The facts have been arranged in four tables as follows: (1) Railway Securities and Holdings of Active Corporations; (2) Railway Securities and Holdings of Inactive Corporations; (3) Minority Holdings of Railway Corporations; and, (4) Miscellaneous Holdings of Railway Companies. Whatever the shortcomings in the returns of specific companies, the totals of holdings are not far wrong. Of the active corporations, the outstanding securities, stocks and bonds, amounted to $17,043,788,909; of the inactive companies the stocks and bonds amounted to $1,183,407,492; a total of $18,227,196,401. Of this great sum $5,555,212,497 were held within the companies, leaving $12,671-983,904 in the hands of the public, or $58,050 per mile of railroad in the United States after the deduction of $86,533,350 in stocks and bonds for railroads under construction. The third and fourth tables show that railroads have many minority holdings in other railroads and are interested in various industrial enterprises such as electric lines, manufacturing, real estate, hotels, etc.

More important than the aggregate figures are the examples of control shown by reference to the actual facts in a number of instances. The Rock Island, Atlantic Coast Line, Reading, and Queen and Crescent Route systems are platted to bring out clearly the relation and control of different companies over the systems. Thus in the case of the Atlantic Coast Line system the control is determined by the Atlantic Coast Line Company through the ownership of stocks amounting to the comparatively small sum of $5,000-

000. This control gives the Coast Line Company power to determine the use and management of $725,000,000 of capitalization. Similar situations are to be found in other systems. The writers of the Report draw no conclusions except as they are embodied in the general discussion. On page 26 it is stated that "it is difficult to discover any economic justification for the existence of these holding companies and for their enormous issues of securities. The only rational explanation, as already noted, is their employment as a medium by large financial interests to concentrate and perpetuate control." On page 40 it is declared that "the extraordinary concentration of railway interests shown in the situation on the middle Atlantic seaboard would lead to the conclusion that, so far as this group of railways is concerned, competition has been practically eliminated, for the motive that would lead to the fostering of such a policy has disappeared."

After a number of illustrations showing the relations of railways in the southeastern section, the Report says (p. 41): "These illustrations are sufficient to establish the fact that working alliances exist in large measure among railways in the same territory and that majority ownership of stock is not necessary to make these alliances effective."

The conclusion regarding the ownership of stocks and bonds by railway companies is well set forth in these words (page 44): "It is indisputable that railway corporations do not purchase railway stocks widely for purposes of investment, but that the holdings in the stocks of other railways are rather for the purpose of controlling or influencing the management of corporations whose operations are of real concern to the holding company. Such holdings are either majority holdings which insure control as shown in Section B of Table I, or minority holdings of sufficient amount to guarantee an effective influence in management, as revealed in the figures of the table under discussion."

Tested by other investigations the per mile value of securities in the hands of the public, $58,050, is nearly the same as that obtained by capitalizing the results of the Census Bureau in 1904 by applying a triple measure of capitalized gross and net earnings and maintenance charges at 16.4, 5.66 and 4.316 per cents respectively. Working out the results for 1906 on this basis gives a per mile value for the railroads in the United States of $57,609. The Census Bureau

value of 1904 of $52,600, the triple capitalization method and par value of capitalization of securities in the hands of the public indicate that the public now have a close approximation of railroad values, and the report here reviewed has clearly shown the use, method and means of controlling railroad corporations through their securities.

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Artificial Waterways and Commercial Development. By A. BARTON HEPBURN. (New York: The Macmillan Company, 1909. Pp. ix, 115. $1.)

This title is misleading, for although one brief chapter is devoted to the world's canals and another to Panama, over three-quarters of the book is concerned with the history and present condition of the Erie Canal. The *raison d'être* of the volume is obviously to place more clearly before the public the absolute necessity of a reconstruction of this canal on modern lines, if New York's commercial primacy is not to be destroyed.

The historical portion is interesting and the appended statistical tables helpful, but the arguments for modernization do not seem to follow as logically from the historical recital as the author would assume. From a transportation factor of the first importance in the early nineteenth century, the Erie Canal declined rapidly even in spite of the abolition of tolls, until it now handles but 5 per cent of the available traffic. But that New York has suffered a "decline" coincident with that of the Canal and resulting from it, is not so clear. In the first place, as has been frequently pointed out, New York is frightened over percentages. Not only is there no decline in commerce at that port, but on the contrary commerce has shown a steady and extraordinary increase. In the second place, the reasons for the relatively more rapid growth in exports at other ports lie deeper than in the disuse or lack of development of an old-fashioned waterway.

That the Canal was of enormous benefit to the state and city of New York previous to the advent of efficient railroading, no one would deny. But to imply as the author does, that the Canal